

**Finance Department Policy
Fauquier County, Virginia**

Policy Title: Petty Cash
Section No.: Finance Department –FD-1

Effective Date: 5/1/05

I. Purpose

The purpose of these procedures is to set forth guidelines for the use and control of Fauquier County and Public Schools petty cash. By providing specific procedures to be followed by both Users and Custodians of petty cash funds, petty cash checking accounts, and cash drawers or registers, proper internal controls for the protection and safeguarding of petty cash will be ensured.

II. Scope

These procedures shall apply to all petty cash funds and petty cash checking accounts of the County and Schools. These procedures also address the setup and maintenance of cash drawers or registers for providing change to users such as Parks and Recreation facilities and school cafeterias. Appendix A provides a listing of approved petty cash funds, petty cash checking accounts, cash drawers, and registers. The County's petty cash funds are located in the Finance Department, and the Treasurer's Office. The primary location of the Schools' petty cash fund is in the Finance Department.

III. General Provisions

Authorized petty cash funds, petty cash checking accounts, and cash drawers or registers are part of the County and Schools assets and must be accounted for accurately. Adherence to the provisions set forth herein is mandatory to maintain strong internal controls.

Petty cash shall not be used to bypass the requisition and purchase order system and/or the travel and training guidelines established for employee reimbursement.

Petty cash is established and the amounts determined by the Board of Supervisors or School Board, and are monitored by the Finance Department. The Finance Department is responsible for ensuring that petty cash is maintained in compliance with these procedures.

IV. Definitions of Terms and Forms

Authorized Representative – The Authorized Representative is the individual assigned with backup responsibility for administering petty cash funds or petty cash checking accounts, and implementing these procedures in the absence of the Custodian.

Cash Drawer or Register – An authorized sum of money maintained at department level for the purpose of providing change to users upon payment for purchases and/or fees.

Custodian – The Custodian is the primary individual assigned responsibility for administering an approved petty cash fund or petty cash checking account and for ensuring these procedures are followed on a daily basis. Additionally, the Custodian is held accountable for all monies and records.

Petty Cash Checking Account – An authorized sum of money maintained at department level for the purpose of issuing checks for legal or public safety services or fees requiring immediate payment.

Petty Cash Fund – An authorized sum of money maintained at department level for the purpose of making small local purchases of goods and services.

Petty Cash Log – An accountability document, which details each disbursement and replenishment within the petty cash fund or petty cash checking account and is used to reconcile the actual cash balance in the fund. The Log also serves as support documentation for the activity in the fund or account.

Petty Cash Receipt of Funds and Certification of Responsibility Form – This form identifies the Custodian of the petty cash fund or petty cash checking account, and assigns responsibility for maintenance of the monies and records.

Petty Cash Reimbursement Request – A reimbursement request to replenish part or all of an established petty cash fund or petty cash checking account.

Petty Cash Voucher/Advance Form – A voucher completed by the Custodian, or Authorized Representative, at the time of disbursement and advancements of petty cash.

V. Procedures

A. Assignment of Responsibility

The Department Head/Constitutional Officer of approved petty cash funds, petty cash checking accounts, cash drawer, or register appoints the Custodian and Authorized Representative(s).

1. Each petty cash fund or petty cash checking account has no more than one Custodian and one Authorized Representative. Each cash drawer or register has no more than one Custodian but may have more than one Authorized Representative. In the absence of the Custodian, the Authorized Representative maintains the fund in accordance with these procedures.
2. Petty cash may not be intermingled with other County, School or personal funds.

B. Audits

Petty cash funds, petty cash checking accounts, and cash drawers or registers are subject to unannounced periodic audits by both internal and external auditors to ensure that petty cash is maintained in compliance with these procedures. The cash and receipts must at all times be equal to the established value of the petty cash fund, petty cash checking account, cash drawer, or register.

C. Custodians

The Custodian is responsible for the contents and security of the petty cash, and must sign all petty cash vouchers.

Upon appointment of the Custodian, a Petty Cash Receipt of Funds and Certification of Responsibility form must be completed and returned to the Accounting Division of the Finance Department. The Petty Cash Receipt of Funds and Certification of Responsibility form is included on page 7.

A change of Custodian requires a new Petty Cash Receipt of Funds and Certification of Responsibility Form to be completed and submitted to the Accounting Division of the Finance Department. A cash audit by the Accounting Division of the Finance Department is required prior to transfer of authority to the new Custodian.

D. Disbursements

The balance of a petty cash fund or petty cash checking account is to be logged at each disbursement and replenishment. The Petty Cash Log is included on page 8.

1. A Petty Cash Voucher/Advance Form must be completed to support all disbursements of cash from the petty cash fund or petty cash checking account. Vouchers will be completed in their entirety, including signatures of both the Department Head/Constitutional Officer and the employee requesting reimbursement. Custodians will not disburse petty cash until they have a properly completed cash voucher.
2. Employees requesting reimbursements from petty cash must provide adequate supporting documentation. This includes original, valid receipts and other documentation, as necessary, to clearly support the occurrence and business purpose of their expenditure. The requestor will sign all receipts and any other document(s) submitted. Custodians will disburse petty cash only after receipt of adequate documentation with proper signatures as required by the travel policy and guidelines (Attachment B).
3. The limit for any single withdrawal from petty cash is \$100. Requests in excess of \$100 will be paid by an Accounts payable check. All supporting documentation will be submitted to Accounts Payable.
4. Disbursements shall not be used for:
 - a. Reimbursements in excess of \$100;
 - b. Payments to employees for personal services;
 - c. Cash advances to employees other than petty cash purchases; (Exceptions may be made with County Administrator approval)
 - d. Cashing of personal, third party or payroll checks;
 - e. Subscriptions, memberships, registrations, or tuitions;
 - f. Fund 302 Capital projects;
 - g. Recurring expenses.

E. Reimbursements

Petty cash is to be used for reimbursement of approved nominal out of pocket expenditures. This is limited to those expenditures which have been paid for by the employee in the course of conducting County business where time and convenience do not allow for the normal purchasing process.

An approved Petty Cash Voucher must accompany all reimbursements.

1. The Petty Cash Voucher/Advance Form must be signed by the Custodian. An acceptable receipt is a vendor's sales document such as the original invoice, sales slip, or cash register ticket, all of which itemize and identify the items or services purchased, the date of purchase, and amount paid. A copy of the Petty Cash Voucher/Advance form is included on page 9.
2. The Petty Cash Voucher must be completed entirely.

3. Cash advances for small purchases are documented on a Petty Cash Voucher/Advance form. When the invoice and unused cash is returned sections A-E will be completed. Petty cash advances should be avoided to minimize duplication and potential errors. A copy of the Petty Cash Voucher/Advance Form is included on page 9.
4. When possible a Sales and Use Tax Certificate of Exemption should be given to vendors to preclude the County from paying Sales Tax on purchases. Exemption forms are obtained from the Accounts Payable Division of the Finance Department.

F. Fund Replenishment

The Custodian will submit a Petty Cash Reimbursement Request to replenish the petty cash fund or petty cash checking account with enough lead-time to prevent the remaining petty cash amount from being depleted before the issuance of the reimbursement check.

1. A completed Petty Cash Reimbursement Request form will be completed and accompanied by all receipts and vouchers. The Reimbursement Request Form is signed by the Custodian or Authorized Representative and the Department Head/Constitutional Officer or Supervisor. Requests to replenish petty cash will not be processed by the Finance Department until all required parties have signed the form. The Finance Department will return requests for reimbursements if documentation is not complete or the requested amount exceeds the account's established amount. A copy of the Petty Cash Reimbursement Request form is included on page 10.
2. All petty cash reimbursements are made payable to Fauquier County (Department Name) Department/Office.

G. Deposits

Deposits for cash drawer or register receipts are made twice a week or when a \$300 threshold has been reached.

H. Security of Petty Cash

The safeguarding of currency, checks, and vouchers is the primary responsibility of the Custodian. All money must remain locked at all times.

1. Actual currency or checks that represent the fund, checking account, or cash drawer or register will be locked in the Custodian's desk in a locked cash box or cash register during business hours. After hours, the cash box or drawer will be removed and locked in a department safe or other location such as a lockable file cabinet. The key or combination to the petty cash will be kept or known only by the Custodian, Authorized Representative(s), and Department Head or Constitutional Officer.
2. Verification of Funds is accomplished by a cash and receipt count made by the Custodian on a routine basis. Counts should be made periodically and after replenishment checks are cashed.

I. Handling of Fund Shortages and Overages

A shortage of one dollar or more identified in petty cash will be immediately brought to the attention of the Department Head/Constitutional Officer where the petty cash is maintained. The Department Head/Constitutional Officer will determine if the shortage exists and whether the shortage appears to have resulted from routine transactions or theft. If the shortage results from routine transactions, the Department Head/Constitutional Officer must notify the Finance Director who will provide a staff evaluation of the situation and recommend corrective action which may include a change of custodian. Shortages from routine transactions will be replenished from miscellaneous revenue. If a shortage results from theft, the Department Head/Constitutional Officer will notify the Sheriff's Office and

Finance Director immediately. During an investigation a new temporary Custodian will be appointed. Once the investigation has been completed, a determination will be made regarding the necessary steps to replenish the petty cash to its established level from miscellaneous revenue or through employee repayment and may result in disciplinary action. If the investigation reveals the cause of the shortage to be theft, a new permanent Custodian will be appointed immediately. Repeated shortages for any reason may result in an audit of the petty cash by the Finance Department.

Overages of one dollar or more will be forwarded to the Treasurer's Office with a cash transmittal form and recorded as miscellaneous revenue. Repeated overages of petty cash will be reported to the Finance Director for determination of cause and may result in an audit of the petty cash by the Finance Department.

J. Change in Petty Cash Amount

Requests for increases or decreases in a petty cash amount are submitted to the Finance Director. The Finance Director will review the request and recommend approval or disapproval to the Board of Supervisors. If approved, the Finance Director will take the necessary action to adjust the petty cash to the revised amount.

**Fauquier County Government & Public Schools
Petty Cash Receipt of Funds
&
Certification of Responsibility**

Name of Department: _____

Custodian: _____

Total Authorized Amount of Petty Cash Fund: \$ _____

Statement of Responsibility

I accept responsibility for the petty cash funds issued to me as Custodian. I have read the Fauquier County Government & Public Schools Petty Cash Policy and agree to administer these funds in accordance with the Policy. Should there be any shortage or disappearance of these funds, I understand that I must contact the Department Head/Constitutional Officer immediately. I further understand that failure to comply with the Policy could result in disciplinary action.

Signature of Custodian

Date

Signature of Department Head/Constitutional Officer

Date

Signature of Finance Department

Date

(Please return original to the Accountant, Finance Division)

[illegible]

Fauquier County Government & Public Schools
Petty Cash Voucher/Advance Form

Claim No. _____

Department: _____ Date: _____

Employee Name: _____

Amount Disbursed from Petty Cash Fund \$ _____

General Ledger Account Number to Charge: _____

Purpose: _____

If a Cash Advance:	a)	Amount Spent (submit receipts)	\$ _____
	b)	Amount Cash Returned	\$ _____
	c)	Total (a+b)	\$ _____
	d)	Amount Due County	\$ _____
	e)	Amount Due Employee	\$ _____

Dept Director:	_____	_____
	Department Head/Constitutional Officer Signature	Date

Received By:	_____	_____
	Employee Signature	Date

Custodian:	_____	_____
	Custodian Signature	Date

**Fauquier County Government & Public Schools
Petty Cash Reimbursement Request**

Vendor Number: _____ Cash _____ Checking _____

Department Name/Payable to: _____

Book Balance	\$ _____ *
Disbursements with Receipts	\$ _____
Disbursements without Receipts	\$ _____
Petty Cash Established Balance	\$ _____ **

*Should always equal the established funded amount

Cash Balance	\$ _____ *
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**Should always equal

Please allocate reimbursement as follows:

Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____
Cost Code #	_____	\$ _____

Total Expenses \$ _____

I certify these expenses were incurred by the Department on official business of Fauquier County Government & Public Schools.

Custodian: _____ Date: _____

Dept Head/Constitutional Officer: _____ Date: _____

PLEASE ATTACH NECESSARY RECEIPTS

Petty Cash								
Department/Location	Contact	Petty Cash Amount	Cash Drawer/Register Amount	Vending Machine	Fund/Account Number	Security Enforced	Use of Funds in Compliance w/Policy	Disbursement Documentation in Order
Building Permits			35		100-101-2096			
Clerk's Office			130		100-101-2075			
County Attorney		1500			100-101-2070			
Finance – County		500			100-101-2040			
Finance – School		1350			205-101-2000			
Fleet Maintenance		200			210-101-2080			
Library		150			100-101-2030			
Maintenance & Repairs		250			100-101-2095			
P& R Crockett Park		280	280	25	100-101-2085			
P& R Lake Brittle			200		100-101-2084			
P&R Marshall Community Ctr.			50		100-101-2050			
P & R Marshall Concession			85		100-101-2060			
P & R Monroe Park			100		100-101-2025			
P & R Vint Hill Community Ctr.			300	120	100-101-2080			
P & R Vint Hill Pool			1070		100-101-2083			
P & R Vint Hill Village Green			400					
P & R Warrenton Community Ctr.			200		100-101-2020			
Planning		50			100-201-2090			
Sheriff's Office		3000			100-101-2010			
Social Services		200			100-101-2015			
Treasurer's Office		1500			100-101-2045			
Zoning			35		100-101-2096			
Schools:								
Auburn Middle			100		207-101-2010			
C.M. Bradley			75		207-101-2010			
James G. Brumfield			75		207-101-2010			
Cedar Lee Middle			100		207-101-2010			
W.G. Coleman			75		207-101-2010			
Liberty High			300		207-101-2010			
Marshall Middle			100		207-101-2010			
Grace Miller			75		207-101-2010			
H.M. Pearson			75		207-101-2010			
M.M. Pierce			75		207-101-2010			
C. Hunter Ritchie			75		207-101-2010			
P.B. Smith			75		207-101-2010			
Taylor Middle			100		207-101-2010			
Mary Walter			75		207-101-2010			
Warrenton Middle			100		207-101-2010			

Attachment A

Petty Cash Request

Departmental Staff

School Staff

Department Head/
Constitutional Officer/Registrar

Department Head (Library, Social Services,
Parks & Rec., etc)

Principal/ Supervisor

Outside U.S.

Members of BOS/SB

Members of BOS/
Comm. (Non-BOS/SB)

County Administrator/ County
Attorney

Superintendent of Schools

Court System Personnel

Signature Approval

Department Head/
Constitutional Officer

Principal/Supervisor

County Administrator/Dpty.
County Administrator

Board Chairperson

Superintendent of Schools/Associate
Superintendent

County Administrator/
Superintendent of Schools

Board Chairperson/Vice Chairperson

County Administrator/
Superintendent of Schools

Chairperson, BOS

Chairperson, SB

Chief Judge of applicable court

ATTACHMENT B